

IC 4-11

ARTICLE 11. LOANS OF STATE FUNDS AND MORTGAGES TO STATE

IC 4-11-1

Chapter 1. Procedures for Collection of Loans

IC 4-11-1-1

Loan greater than amount authorized by law; validity of security

Sec. 1. The bonds, mortgages, notes, or other evidences of debt, or instruments of writing, executed by any person or persons, or that may hereafter be executed, for loans of money of any of the trust or other funds of the state, authorized by law to be loaned, being the same are hereby declared not to be invalid on account of the amount of such loan being for a larger sum than was, is, or may be contemplated or authorized by law, but the same are hereby declared to be as valid and obligatory, in every respect, as if the loan for which the same are executed had been for no greater amount than was, by law, in such case contemplated or authorized.

(Formerly: Acts 1855, c.54, s.1.)

IC 4-11-1-2

Suits for recovery of loan; defense; loan greater than authorized by law; validity of title to land; liability of officers

Sec. 2. No borrower shall be permitted to defend any suit brought for the recovery of any such money on the ground that the officer who made the loan loaned a greater sum than the law authorized; nor shall any title to land, or lands and tenements, be deemed invalid because the mortgage upon which it was or may be sold was or is or may be for a sum greater than the law authorized to be loaned; provided, however, that this chapter shall not be so construed as to release any officer charged with the loaning of said funds, or any of them, or his or their securities, from any liability incurred after August 17, 1855, for breach of duty.

(Formerly: Acts 1855, c.54, s.2.) As amended by P.L.5-1984, SEC.39.

IC 4-11-1-3

Default; suits

Sec. 3. When any default is made in the payment of the principal or the interest of any loan from the sinking fund, surplus revenue fund, congressional township fund, college fund or any other of the trust or other funds of the state, suit shall, in the first instance, be brought upon the bond in every case where the obligor is considered responsible and where the mortgage is considered insufficient; and, ultimately, for any deficit, proceedings may be had upon the mortgage as now authorized.

(Formerly: Acts 1855, c.54, s.3.)

IC 4-11-1-4

Mortgage sales; state bidding in property; surplus sale proceeds

Sec. 4. In all cases where the mortgagor is considered of doubtful solvency, and the property, when offered for sale, will not bring the amount due on the mortgage, the state herself may bid in the property for what the same may be deemed worth, and hold the mortgagor liable upon his bond for the deficiency: Provided, however, That if the state shall subsequently sell any land so bid in for more than the amount of principal, interest, damages and costs due from the mortgagor or mortgagors, he or they shall be entitled to the surplus.
(Formerly: Acts 1855, c.54, s.4.)

IC 4-11-1-5

Substitutions; diminishing security

Sec. 5. The laws limiting the amount to be loaned by the officers having charge of said funds shall not prevent substitutions, but such substitutions may be made by the borrower, or any third person by his consent where the officer having control of the fund believes the interest of the fund will not suffer thereby: Provided, The mortgaged security shall, in no case, be diminished, but may be increased, if deemed insufficient.
(Formerly: Acts 1855, c.54, s.5.)

IC 4-11-1-6

Offenses of officers; loaning greater amount than authorized

Sec. 6. An officer who recklessly lends to any person a greater amount of funds than he is authorized by law to lend commits a Class B misdemeanor.
(Formerly: Acts 1855, c.54, s.6.) As amended by Acts 1978, P.L.2, SEC.405.